

## Message Text

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67

ACTION IO-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02

OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 ABF-01 AF-06

ARA-06 EA-06 NEA-10 /124 W  
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R 032251Z JUN 75

FM USMISSION USUN NEW YORK

TO SECSTATE WASHDC 591

INFO AMEMBASSY VIENNA

USMISSION GENEVA

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E.O. 11652: N/A

TAGS: UNIDO, AORG, UN

SUBJECT: UNIDO ORGANIZATIONAL ARRANGEMENTS

REF: VIENNA 4494

SUMMARY: AMBASSADOR BENNETT DISCUSSED UNIDO INTERIM ARRANGEMENTS WITH USYG DAVIDSON AND BRIEFLY WITH SYG. DAVIDSON BRIEFED BENNETT ON CONCESSIONS PROPOSED TO LOOSEN NEW YORK HEADQUARTERS CONTROLS PARTICULARLY IN FIELD OF PERSONNEL RECRUITMENT AND ADMINISTRATION. DAVIDSON ALSO OUTLINED ARRANGEMENTS TO PREPARE UNIDO FOR SPECIALIZED AGENCY STATUS AND ARGUED THAT SYG'S CONTROL OVER UNIDO PROGRAM BUDGET HAD BEEN SAFEGUARDED. END SUMMARY

1. IN LENGTHY DISCUSSION ABOUT UNIDO INTERIM ARRANGEMENTS MAY 27, UNDER SECRETARY GENERAL DAVIDSON DEFENDED TO AMBASSADOR BENNETT ARRANGEMENTS MADE REGARDING INCREASED UNIDO AUTONOMY. HIS GENERAL ATTITUDE WAS MORE THAN "GOING ALONG". (PARA 4 VIENNA 4494) AND SUGGESTED SHIFT IN HIS  
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VIEWS DESCRIBED EARLIER IN USUN 1463. DAVIDSON INSISTED THAT

AGREEMENTS REACHED WOULD NOT LOOSEN SYG'S CONTROL OVER UNIDO PROGRAM/BUDGET AND TOOK RATHER CURIOUS POSITION WITH RESPECT INTERIM ARRANGEMENTS THAT EVERY EFFORT HAD BEEN MADE "TO PROTECT UNIDO". DAVIDSON VIEWED MOST CONCESSIONS AS SOME LOOSENING OF TIGHT CONTROL HERETOFORE EXERCISED BY NEW YORK HEADQUARTERS AND SAW NOTHING FUNDAMENTAL IN WHAT HAS BEEN GIVEN UP. HE STRESSED THAT IN HIS OWN PARTICIPATION IN NEGOTIATIONS HE HAD BEEN GUIDED BY DESIRABILITY OF AVOIDING THE SETTING OF UNDESIRABLE PRECEDENTS WHICH MIGHT THEN BE USED WITH RESPECT TO OPERATIONS IN GENEVA OR ELSEWHERE.

2. DAVIDSON DESCRIBED FOLLOWING THREE PRINCIPAL DECISIONS ON PERSONNEL RECRUITMENT AND ADMINISTRATION:

(A) AT PRESENT ALL FIXED TERM UNIDO APPOINTMENTS MUST BE MADE IN NEW YORK, AND ANY EXTENSIONS MUST ALSO BE APPROVED IN NEW YORK. UNDER NEW ARRANGEMENTS EXECUTIVE DIRECTOR WILL HAVE POWER TO EXTEND APPOINTMENT FOR A HALF YEAR ON HIS OWN AUTHORITY AND ONE YEAR BEYOND THAT (BUT MUST INFORM ASYG NEW YORK BEFORE EXPIRATION OF ONE YEAR).

(B) PROJECT PERSONNEL APPOINTMENTS (L-1 TO L-5) ARE NOW MADE BY EXECUTIVE DIRECTOR. UNDER NEW ARRANGEMENTS APPOINTMENT AUTHORITY OF EXDIR WILL BE EXTENDED TO L-7. DAVIDSON ESTIMATED LATTER WOULD INVOLVE ONLY TWO OR THREE APPOINTMENTS A YEAR.

(C) AN APPOINTMENT AND PROMOTION COMMITTEE WILL BE ESTABLISHED IN VIENNA TO PLAY SAME ROLE AS ITS COUNTERPART IN NEW YORK (I.E. APPOINTMENT, PROMOTION AND REVIEW OF STAFF APPOINTMENTS TO P-4). DAVIDSON CONCEDED THAT THERE WAS MORE SUBSTANCE IN THIS CONCESSION TO UNIDO THAN IN TWO PREVIOUS.

AT SAME TIME HEADQUARTERS WOULD BE PROTECTED IN THAT ALL APPOINTMENTS BY UNIDO WOULD APPLY ONLY TO UNIDO AND WOULD NOT APPLY SUBSEQUENTLY TO OTHER PARTS OF UN ORGANIZATION. UNNY WILL PROVIDE UNIDO WITH SOME GEOGRAPHIC GUIDELINES TO FOLLOW IN ITS HIRING PRACTICES.

3. DAVIDSON DEVOTED CONSIDERABLE PART OF CONVERSATION TO LIMITED OFFICIAL USE

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DESCRIBING ARRANGEMENTS FOR CREATION OF UNIDO AS SPECIALIZED AGENCY. HERE DAVIDSON EXPRESSED SATISFACTION THAT CERTAIN SAFEGUARDS HAD BEEN WRITTEN IN, MORE THAN HE HAD ANTICIPATED. ARRANGEMENTS WOULD CALL FOR MAJORITY VOTE ON ALL QUESTIONS WITH EXCEPTION THOSE HAVING TO DO WITH FINANCES, AN EXCEPTION DAVIDSON CONSIDERED IMPORTANT. HERE THERE WOULD BE WEIGHTED VOTING. ADOPTION FINANCIAL DECISIONS WOULD REQUIRE TWO-THIRDS VOTE OF MEMBERS REPRESENTING FIFTY PERCENT OF TOTAL UNIDO

CONTRIBUTORS, AND FIFTY PERCENT OF MEMBERS MAKING VOLUNTARY CONTRIBUTIONS.

4. CREATION OF SPECIALIZED AGENCY WOULD REQUIRE EIGHTY SIGNATORIES TO PROPOSED ARRANGEMENTS, A HIGH NUMBER WHICH DAVIDSON HAD EARLIER PREDICTED AND VIEWED THEN AS MATTER FOR CONCERN (PARA 2 USUN 1463). WHEN EIGHTIETH SIGNATURE ACHIEVED, THEN SYG WOULD CALL A MEETING OF SIGNATORIES TO DETERMINE IF THOSE EIGHTY AGREED TO ACCEPT RESPONSIBILITY AMONG THEMSELVES FOR MEETING COSTS OF NEW SPECIALIZED AGENCY. IF THEIR DECISION WERE AFFIRMATIVE, THEN A PREPARATORY COMMISSION WOULD BE ESTABLISHED TO DRAFT AGENCY STATUTE, WITH UNIDO BECOMING A SPECIALIZED AGENCY ONE YEAR LATER. IF EIGHTY SIGNATORIES DID NOT AGREE TO COVER COSTS OF SPECIALIZED AGENCY AMONG THEMSELVES, THEN DECISION WOULD BE PUT OFF A YEAR AND SYG WOULD CALL ANOTHER MEETING OF SIGNATORIES, HOPEFULLY NINETY OR MORE, AND ABOVE PROCESS WOULD BE REPEATED.

5. BENNETT EXPRESSED CONSIDERABLE SCEPTICISM IN THIS CONVERSATION AND IN LATER ONE WITH SYG OVER IMPLICATIONS OF ABOVE AND OBSERVED THAT THIS SEEMED TO BE A FORMULA FOR MAXIMUM AUTONOMY FOR UNIDO OVER INDEFINITE INTERIM PERIOD OF TIME WITH CONTINUING CUSHION OF FINANCIAL SUPPORT ON ASSESSED BASIS FROM FULL UN MEMBERSHIP. DAVIDSON DEPRECATED THIS ASPECT AND CONTINUED TO INSIST THAT SYG'S CONTROL OVER UNIDO PROGRAM/BUDGET HAD BEEN SAFEGUARDED. WALDHEIM WAS SOMEWHAT LESS FIRM ON LATTER POINT.  
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